

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of

**MB Docket No. 17-106**

Elimination of Main Studio Rule

**COMMENTS OF KONA COAST RADIO, LLC**

Kona Coast Radio, LLC (“KCR”) file these comments in response to the Notice of Proposed Rule Making (FCC 17-106), released May 18, 2017 in the above captioned proceeding. KCR support the elimination of the Commission’s main studio rule.<sup>1</sup>

KCR’s sole member, Victor A. Michael, Jr. has been a radio station owner and operator since 1985. Mr. Michael has owned and operated dozens of radio stations, mostly located in small and medium sized radio markets.

**The Main Studio Rule Has Resulted in Denial of New Service to Small Markets**

There are many rural areas that would likely receive more radio service if broadcast station owners could be allowed to “network” their primary operations with secondary “satellite” operations or stations. The current main studio rule makes operating a secondary or satellite operation station cost prohibitive.

Colorado and Wyoming are an example where there is plenty of vacant broadcast spectrum. While there are many small towns in Colorado and Wyoming that are devoid of

<sup>1</sup> KCR is the license of KDCO(AM) Denver, CO, facility ID 34585, KIMI(FM) Malvern, IA, facility ID 189501 and KVAM(AM) Loveland, CO, facility ID 35517.

reliable broadcast station reception, trying to viably operate commercial stations in Communities of less than 5,000 persons, is nearly impossible. KCR in recent years has had to forfeit the licenses and/or Construction Permits, namely, KBUD(FM) Deer Trail, CO, facility ID 85056, KKHG(FM) Hugo, CO, facility ID 170961, KDEB(AM) Estes Park, CO, facility ID 67483 and Construction Permits for KZAE(FM) Wheatland, WY, facility ID 191490 and KIIQ(FM) Basin, WY, facility ID 189505. While KCR invested substantial resources in trying to operate some of these stations, the cost of leasing or buying a main studio location, and then staffing it with no less than two employees is not economically sustainable in these smaller areas. Had there been no main studio requirements in these small towns, it would have been much more economically possible to continue to operate or construct these stations listed above as Satellite or network stations with other stations KCR owns and operates.

KCR feels that even if there is some loss of localism by not having a local main studio in smaller remote communities, these communities would still benefit from having a “networked” station that was part of a larger group, then having no service at all.

### **Large Signal Stations Enjoy Rural Community Coverage without Multiple Studios**

If the main studio requirement was eliminated, it would enable the ability of smaller lower classed AM and FM stations with smaller coverage areas to expand their reach by creating a network of small signal coverage stations, but have the efficiencies of operating one primary network “hub” station.

KCR believes that this is no different than what a large signal station currently enjoys having. For example, a 50KW Clear Channel AM station or full Class C FM station are allowed to operate from one studio location. Some of these higher powered stations cover literally many

thousands of square miles, providing coverage to small rural communities without having to maintain multiple main studio locations. In most cases, these large coverage stations are much more commercially successful than smaller coverage stations.

### **Internet and Social Media have helped negate the need for a Main Studio**

Local News, Weather, and Information are becoming more and more available via Social Media Platforms. Practically every American now owns a Media phone with access to most any information a person could desire. This same technology allows radio station operators access to more and immediate information about the communities that they serve. This also makes it possible to process and broadcast this information from most any location where broadband is available. More and more stations now interact with their audiences utilizing their social media platforms and web sites. More and more stations are “streaming” their broadcasts on the Internet, giving access to their programming from most anywhere in the world. Thus, some stations are trying to appeal to more of a “Global” audience, than a locally based one. Thus, once again, having to maintain a local presence in a particular community is becoming less and less practical. The Internet had not reached critical mass until 20 to 30 years ago. But now is a critical part of the lives of most Americans.

Internet Advertising has overtaken broadcast radio for advertising revenues. In order for radio broadcasting to continue to be commercially viable, it needs as much regulatory relief as possible. While many stations may not take advantage the relaxation of main studio requirements, many will. Stations that can take advantage of no longer having to maintain a main studio will benefit from lower operational costs.

### **Non-Commercial Stations have seen great Benefits with Main Studio Waivers**

Non-Commercial stations that operate networked or “satellite” operations routinely are granted main studio waivers by the Commission. These waivers have been sort of a “proving ground” for the effects of not having a main studio for stations. KCR believes there are many non-commercial stations operating without main studios, but yet are important broadcast services to their respective communities. These stations come in many forms, from larger multi state networks, to statewide radio networks and even more locally concentrated multi station groups. Allowing main studio waivers have let these groups operate smaller stations that would never be able to exist without the benefits of these waivers.

### **Community of License Rules are Miss-Applied and Shouldn't be Required**

When it comes to having main studios within a stations “Community of License” as a practical matter is no longer significant. When the Commission relaxed the Main Studio requirements to being within a 25 mile radius, or within a stations city grade contour, this allowed multiple station owners in a marketplace to co-locate adjacent market stations licensed to different communities to be more conveniently located at one studio location.

KCR operates KDCO(AM) Denver, CO. In the Denver market, there are approximately 40 viable signals in the market. Out of the 21 FM signals in the market, 10 are not licensed to Denver. Out of the 19 AM signals in the market, 11 are not licensed to Denver, or about half in each case. But most all of these stations market themselves as “Denver” radio stations. Most all of these stations are owned by multiple station groups from a common main studio location, regardless of what community they are licensed too.

KCR believes that the Commission's community of license requirements are also outdated, as are the main studio requirements. KCR feels that a station owner should be allowed to choose whatever community of license it feels it is best serving, regardless of any technical compliance parameters. This is basically how the Commission licenses FM translator stations. There are no real technical requirements for an FM translator when it comes to choosing a translator community of license. If a station chooses to market a station towards a particular market or city, it should be allowed to be licensed to that community. As a practical matter, this is what most stations do anyway even with current community of license rules. With the elimination of the main studio rule, the city of license requirements for service should also be considered to be changed.

Respectfully Submitted,

**Kona Coast Radio, LLC**

BY: \_\_\_\_\_

Victor A. Michael, Jr.

Sole Member

July 2, 2017